

What drove (or choked) French entrepreneurship under Napoleon III? A department-level analysis

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Systematic judgements about nineteenth century French entrepreneurship have been limited by partial coverage of the data used in the analysis. French business historians have assembled evidence about the sometimes impressive achievements of prominent individuals and reconstructed business communities at the local/regional level. However, the sample remains patchy: well-documented in some areas (Normandy, Alsace, Lyon, Paris), suspiciously absent in others (South of the “St-Malo-Geneva line”), the evidence seems to ignore most of the rank and file of French entrepreneurs.¹ When nation-wide data sources have been employed, analysis typically is restricted in other ways².

In order to construct a more representative sample and thereby attain a more accurate picture, we draw on data that can be extracted from (supposedly) comprehensive nation-wide censuses of the Second Empire. We focus on manufacturing businesses in this crucial period by matching information gathered from three sources: the professional census of 1866, which provides numbers of business owners by sector; the “tableau C” of the register of the *patente* (or business tax) and finally the industrial enquiry of 1861-65 which contains information on the “fundamentals” of industrial firms (capital outlays, value of gross output, employment, cost of raw materials) in this decade, again at the department-level. In addition we include other variables available at the same level of disaggregation: the prevalent commercial bank (discount) rate, the agricultural-industrial wage differential, the literacy and crime rates, the cost of fuel, and the availability of railway service. Finally we bring in statistical indicators of religious practice – a previously untapped source – to test the strength of the “Weber thesis” in the French context. These indicators are employed for an econometric analysis across France’s 89 departments in which we acknowledge that entrepreneurship is embedded in a wider social context that varies over space (as well as time). Consequently we take into account that entrepreneurial performance may be constrained or stimulated not just by state regulation but also by the size and accessibility of markets and by factor quality and supplies. Furthermore, the correspondence between France’s pre-1871 and post-1945 administrative division affords the possibility of bringing in indicators from the later period and identifying persistent regional and national features of entrepreneurship.

Keywords: Entrepreneurship - France – Second Empire – Regional analysis

¹ See: <http://eh.net/content/dormois-barjot-et-al-les-entrepreneurs-du-second-empire>

² For example Nye JV ‘Firm Size and Economic Backwardness: A New Look at the French Industrialization Debate’ *Journal of Economic History*, September 1987, v. 47, iss. 3, pp. 649-69